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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Xinhua Education Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

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## **China Xinhua Education Group Limited**

**中國新華教育集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2779)**

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of China Xinhua Education Group Limited to be held at Conference Room No. 1, Administrative Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, PRC on Tuesday, 26 June, 2018 at 2:30 p.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (i.e. by 2:30 p.m. on Sunday, 24 June 2018) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish and in such event, the proxy shall be deemed to be revoked.

25 May 2018



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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room No. 1, Administrative Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, PRC on Tuesday, 26 June 2018 at 2:30 p.m. or any adjournment thereof, the notice of which is set out on pages 16 to 20 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China Xinhua Education Group Limited (中國新華教育集團有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 30 August 2017
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the General Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares as at the date of passing of the relevant resolution granting the General Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huayuan Company”	Huayuan Equity Investment Company Limited (華園股權投資有限公司), a limited liability Company established under the laws of the British Virgin Islands on August 28, 2017 and owned by all partners of Huayuan Partnership
“Huayuan Partnership”	Hefei Huayuan Equity Investment Limited Partnership* (合肥華園股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 11 August 2017 with Mr. Wu acting as its general partner and 31 individuals acting as its limited partners, including Mr. Wu, Ms. Zhou Jiaju (spouse of Mr. Wu), Mr. Wu Shan (son of Mr. Wu), our three executive Directors (namely, Mr. Lu Zhen, Mr. Wang Yongkai and Ms. Wang Li) and 26 other employees of our Group
“Latest Practicable Date”	17 May 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	26 March 2018, the date on which dealings in the Shares commenced on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Junbao (吳俊保), our founder, one of our controlling shareholders (as defined in the Listing Rules), chairman of the Board and a non-executive Director
“PRC”	the People’s Republic of China excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the number of issued Shares as at the date of passing of the relevant resolution granting the Repurchase Mandate

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## DEFINITIONS

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“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Xinhua Group”	Anhui Xinhua Group Investment Co., Ltd.* (安徽新華集團投資有限公司) (previously known as Anhui Xinhua Investment Co., Ltd.* (安徽新華投資有限公司)), a limited liability company established under the laws of the PRC on September 1, 1999, which is owned as to 95.70% by Mr. Wu, 0.97% by Mr. Wu Di (son of Mr. Wu) and 3.33% by Huayuan Company. It is the school sponsor of Xinhua University and Anhui Xinhua School, and a consolidated affiliated entity of our Company
“Xinhua University”	Anhui Xinhua University* (安徽新華學院), a private formal higher education institution whose predecessor is Anhui Xinhua Vocational College (安徽新華職業學院) which obtained approval from The People’s Government of Anhui Province (安徽省人民政府) for its establishment on 18 June 2000. The school sponsor’s interest of Xinhua University is wholly owned by Xinhua Group and a consolidated affiliated entity of our Company
“%”	per cent.

If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of company or entity names in Chinese or another language which are marked with “\*” and the Chinese translation of company or entity names in English which are marked with “\*” is for identification purpose only.

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LETTER FROM THE BOARD

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**China Xinhua Education Group Limited**

**中國新華教育集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2779)**

*Non-executive Director*

Mr. Wu Junbao (Chairman)

*Executive Directors*

Mr. Lu Zhen

Mr. Wang Yongkai

Ms. Wang Li

*Independent Non-executive Directors*

Ms. Zhang Kejun

Mr. Yang Zhanjun

Mr. Chau Kwok Keung

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business in*

*Hong Kong:*

18/F Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

25 May 2018

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and the following proposals to be put forward at the Annual General Meeting: i) the grant to the Directors of General Mandate, the Repurchase Mandate and the Extension Mandate and ii) the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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### **GENERAL MANDATE TO ISSUE SHARES**

In order to ensure greater flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the General Mandate to issue Shares. An ordinary resolution no. 4(A) will be proposed at the Annual General Meeting to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new shares in the share capital of the Company up to 20% of the number of issued Shares as at the date of the passing of the resolution in relation to the General Mandate. As at the Latest Practicable Date, there were 1,608,583,000 Shares in issue. Subject to the passing of the above ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to issue a maximum of 321,716,600 Shares pursuant to the General Mandate.

In addition, subject to a separate approval of the ordinary resolution no. 4(C), the number of Shares purchased by the Company under ordinary resolution no. 4(B), if approved by the Shareholders at the Annual General Meeting, will also be added to extend the 20% limit of the General Mandate as mentioned in the ordinary resolution no. 4(A) provided that such additional number shall not exceed 10% of the issued Shares as at the date of the passing of the General Mandate and Repurchase Mandate.

### **REPURCHASE MANDATE TO REPURCHASE SHARES**

In addition, an ordinary resolution no. 4(B) will be proposed at the Annual General Meeting to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the number of issued Shares as at the date of the passing of the resolution in relation to the Repurchase Mandate. As at the Latest Practicable Date, there were 1,608,583,000 Shares in issue. Subject to the passing of the above resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 160,858,300 Shares pursuant to the Repurchase Mandate.

An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 84(1) of the Articles of Association, Mr. Wu Junbao, Ms. Wang Li and Ms. Zhang Kejun, shall retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-election as Directors thereat.

Details of the above named Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

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## LETTER FROM THE BOARD

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### **CLOSURE OF REGISTER OF MEMBERS**

The transfer books and register of members of the Company will be closed from Thursday, 21 June 2018 to Tuesday, 26 June 2018, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 June 2018.

### **NOTICE OF ANNUAL GENERAL MEETING**

Set out on pages 16 to 20 of this circular is the notice of Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider and approve i) the grant to the Directors of General Mandate, the Repurchase Mandate and the Extension Mandate and ii) the re-election of the retiring Directors.

### **FORM OF PROXY**

A form of proxy for use at the Annual General Meeting is enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the Annual General Meeting (i.e. by 2:30 p.m. on Sunday, 24 June 2018) or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

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## LETTER FROM THE BOARD

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On a poll, every Shareholder present in person or by proxy or in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the General Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully  
By order of the Board  
**China Xinhua Education Group Limited**  
**Wu Junbao**  
*Chairman*

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## APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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*The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.*

As at the Latest Practicable Date, each of the following Directors, save as disclosed herein, did not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed herein, none of the following Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed public companies in the last three years. In addition, save as disclosed herein, none of the following Director has any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

### DIRECTOR CANDIDATES

#### Non-Executive Director

**Mr. Wu Junbao** (吳俊保), aged 52, the founder of our Group, was appointed as the chairman and a non-executive Director of the Company on October 27, 2017. Mr. Wu has more than 18 years of experience in education. The following table shows the key working experience of Mr. Wu:

<b>Period</b>	<b>Company</b>	<b>Position</b>	<b>Roles and responsibilities</b>
September 1999 to September 2017	Xinhua Group	General manager	In charge of strategic planning, supervision of the overall management operation, improvement and implementation of the corporate governance and formulation of business objectives
September 1999 to present	Xinhua Group	Chairman and director	In charge of strategic planning, supervision of the overall management operation and improvement and implementation of the corporate governance

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**APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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<b>Period</b>	<b>Company</b>	<b>Position</b>	<b>Roles and responsibilities</b>
June 2000 to present	Xinhua University	Chairman and director	In charge of strategic planning, supervision of the overall management operation and improvement and implementation of the corporate governance

Mr. Wu obtained the qualification as a senior economist granted by the Personnel Bureau of Hefei City (合肥市人事局) in July 2004. He graduated from Anhui Institute of Business Administration (安徽工商管理學院) in Hefei City, Anhui Province, the PRC with a degree of master of business administration in December 2003. Mr. Wu did not hold any directorship in any listed companies during the last three years.

Mr. Wu has entered into a letter of appointment with the Company for a term of one year commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by Mr. Wu to our Company or with immediate effect following the notice in writing served by our Company to Mr. Wu.

Mr. Wu is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the appointment letter, Mr. Wu is entitled to a director's remuneration of RMB1.00 per year, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities with the Company and prevailing market conditions.

As at the Latest Practicable Date, pursuant to Part XV of the SFO, Mr. Wu was deemed to be interested in 1,148,491,879 Shares, representing the Shares beneficially owned by him.

#### **Executive Director**

**Ms. Wang Li (王麗)**, aged 40, joined the Group in July 2000 and was appointed as an executive Director of our Company on October 27, 2017. Ms. Wang has also been the deputy principal of Xinhua University since January 2016. She is responsible for the administrative and human resources matters of our Group. Ms. Wang has more than 17 years of experience in education.

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**APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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The following table shows the key working experience of Ms. Wang:

<b>Period</b>	<b>Company</b>	<b>Position</b>	<b>Roles and responsibilities</b>
July 2000 to August 2008 and June 2012 to March 2015	Xinhua Group	Office clerk/office manager/deputy manager of the human resource development center of the human resources department/vice general manager of the administrative center	In charge of the daily management in the office, administrative and human resources management
August 2008 to January 2011 and May 2014 to present	Xinhua University	Head of the department of personnel/assistant to principal/deputy principal	In charge of the personnel management, salary and welfare and other human resources matters, asset management and material procurement as well as student management, security and information technology development matters

Ms. Wang obtained the certificate of accounting professional granted by Hefei Municipal Finance Bureau (合肥市財政局) in December 2005 and the qualification of enterprise human resources administrator (class II) granted by Ministry of Labour and Social Security Employment and Training Division\* (勞動和社會保障部就業培訓司) in July 2008. She graduated from Anhui University (安徽大學) in Hefei City, Anhui Province, the PRC with a bachelor degree majoring in data management in July 2000. Ms. Wang did not hold any directorship in any listed companies during the last three years.

Ms. Wang has entered into a service contract with the Company for an initial fixed term of three years commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Ms. Wang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the service contract, Ms. Wang is entitled to a director's remuneration of RMB160,000.00 per year, which is determined by the remuneration committee of the Company and the Board with reference to her performance, duties and responsibilities with the Company and prevailing market conditions.

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**APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION**

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**Independent Non-Executive Director**

**Ms. Zhang Kejun (張可君)**, aged 68, was appointed as an independent non-executive Director of our Company on October 27, 2017.

The following table shows the key working experience of Ms. Zhang:

<b>Period</b>	<b>Company</b>	<b>Position</b>
August 1976 to January 1980	Shanxi Yuanping Agriculture College* (山西原平農學院)	Teacher
January 1980 to December 1984	Heifei Supply and Marketing School* (合肥供銷學校)	Successively served as teacher, deputy principal, member of the Party Committee
December 1984 to August 1988	Education Department of Supply and Marketing Cooperative of Anhui Province* (安徽省供銷社 教育處)	Department head
August 1988 to December 2002	Anhui Trade School* (安徽省貿易學校)	Principal; deputy secretary of Party Committee
December 2002 to June 2003	Anhui Finance and Trade School Heifei Vocational Technical Institute* (安徽財貿學院合肥職業技 術學院)	Secretary of Party Committee
June 2003 to July 2005	Party Committee/Retire Department of Supply and Marketing Cooperative of Anhui Province* (安徽省供銷社機關黨委、 離退休處)	Deputy secretary in charge* (專職副書記)/Department head
December 2005 to October 2014	Xinhua University	Deputy secretary of Party Committee/deputy principal/director

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## APPENDIX I DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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Ms. Zhang graduated in April 1980 from Shanxi University (山西大學), the PRC, majoring in political science and graduated in June 1992 from the Party School of the Central Committee of Communist Party of China (中共中央黨校函授學院), the PRC, majoring in party and government administration (黨政管理) (a long distance learning course). Ms. Zhang obtained the qualification as a senior lecturer (secondary vocational school) (高級講師(中專教師系列)) from the committee for appraisal of senior lecturers for secondary vocational school of Anhui Province\* (安徽省中等專業學校高級講師職務評審委員會), the PRC, in December 1994, and the qualification as associate professor (higher education) (思想政治副教授(高教系列)) from the committee for appraisal of teachers for higher education of Anhui Province\* (安徽省高等學校教師職務評審委員會), the PRC, in November 2009. Ms. Zhang did not hold any directorship in any listed companies during the last three years.

Ms. Zhang has entered into a letter of appointment with the Company for a term of one year commencing from 26 March 2018 and will continue thereafter until terminated by not less than three months' notice in writing served by Ms. Zhang to our Company or with immediate effect following the notice in writing served by our Company to Ms. Zhang.

Ms. Zhang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the appointment letter, Ms. Zhang is entitled to a director's remuneration of RMB100,000.00 per year, which is determined by the remuneration committee of the Company and the Board with reference to her performance, duties and responsibilities with the Company and prevailing market conditions.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the total number of Shares in issue was 1,608,583,000 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 160,858,300 Shares which represent 10% of the total number of issued Shares during the period ending on the earliest of i) the conclusion of the next annual general meeting of the Company; or ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by Cayman Companies Law or the Articles of Association; or iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting prior to the next annual general meeting of the Company.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Cayman Companies Law and the Listing Rules. The Cayman Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Cayman Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Cayman Companies Law.

The Directors would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Repurchase Mandate was to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and/or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2017, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**GENERAL**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates, as defined in the Listing Rules, currently intend to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

No core connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Wu Junbao Company Limited held 1,148,491,879 Shares, which is 100% owned by Mr. Wu Junbao, an executive Director, was deemed to be interested in approximately 71.40% of the existing issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Wu Junbao Company Limited in the Company will be increased to approximately 79.33% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would not give rise to any obligation to make a mandatory offer under the Takeovers Code. The Directors are not aware of any consequences which would arise under the Takeover Code as a results of any repurchase of Shares pursuant to the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

**SHARE PRICES**

The Shares have been traded on the Stock Exchange since 26 March 2018 and the highest and lowest traded prices for Shares recorded on the Stock Exchange during the following months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest traded prices <i>HK\$</i></b>	<b>Lowest traded prices <i>HK\$</i></b>
<b>2018</b>		
March (since Listing Date)	3.47	3.03
April	3.33	2.97
May (up to the Latest Practicable Date)	3.75	3.04

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## NOTICE OF ANNUAL GENERAL MEETING

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### China Xinhua Education Group Limited

### 中國新華教育集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2779)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of China Xinhua Education Group Limited (the “**Company**”) will be held at Conference Room No. 1, Administrative Building, Anhui Xinhua University, No. 555 Wangjiangxi Road, Hefei City, Anhui Province, the People’s Republic of China on Tuesday, 26 June 2018 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended 31 December 2017.
2. a. To re-elect the following retiring directors of the Company:
  - i. Mr. Wu Junbao
  - ii. Ms. Wang Li
  - iii. Ms. Zhang Kejun
- b. To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company.
3. To re-appoint KPMG as auditor of the Company and to authorise the Board to fix its remuneration.
4. To consider and, if thought fit, to pass (with or without amendments) the following resolutions as ordinary resolutions:

(A) “**That:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe

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for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20% of the total number of issued shares of the Company as at the date of passing this resolution; and (if the directors of the Company are so authorised by resolution numbered 4(B)) the aggregate number of shares of the Company bought back by the Company subsequent to the passing of resolution numbered 4(B) (up to a maximum equivalent to 10% of the number of issued shares of the Company as at the date of passing resolution numbered 4(B).

And the said approval shall be limited accordingly;

- (iv) for the purpose of this resolution:
  - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of the Company;

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- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
  - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “**Rights Issue**” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-back and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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(iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**That** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such amount of shares of the Company shall not exceed 10% of the total number of issued shares of the Company at the date of passing of the said resolutions.”

By order of the Board  
**China Xinhua Education Group Limited**  
**Wu Junbao**  
*Chairman*

25 May 2018

*Registered office:*  
Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in  
Hong Kong:*  
18/F Tesbury Centre  
28 Queen’s Road East  
Wanchai  
Hong Kong

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*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. by 2:30 p.m. on Sunday, 24 June 2018) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The transfer books and register of members will be closed from Thursday, 21 June 2018 to Tuesday, 26 June 2018, both days inclusive to determine the entitlement of the shareholders to attend the above meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 - 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30p.m. on Wednesday, 20 June 2018.
- (v) In respect of ordinary resolution numbered 2a above, Mr. Wu Junbao, Ms. Wang Li and Ms. Zhang Kejun shall retire and being eligible, offered themselves for re-election at the above meeting. Details of the above Directors are set out in Appendix I to the circular of the Company dated 25 May 2018.
- (vi) In respect of ordinary resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances where they consider that the repurchase would be in the best interest of the Company and its shareholders. An explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the general mandate to repurchase shares of the Company, as required by the Listing Rules, is set out in Appendix II to the circular of the Company dated 25 May 2018.